

## METHODS FOR FACILITATING PRIVATE FUNDING OF EARLY-STAGE COMPANIES

### Abstract of the Disclosure

5 A consultant provides services to participants seeking involvement in early-stage  
companies, as well as to early-stage companies seeking the involvement of participants.  
The participants, typically known as angels, generally seek to provide early-stage  
funding sought by the companies in exchange for equity interests in the companies. The  
consultant identifies a company and presents the company to several participants. The  
participants, in turn, have the opportunity to accept a conditional offer by the consultant  
10 to perform a due diligence review of the company. The due diligence review is intended  
to provide the participants a basis for deciding whether to invest in the company. A  
participant preferably accepts the offer by casting a vote in favor of having the  
consultant perform the review. If a sufficient number of participants cast votes in favor  
of performing the review, the consultant accepts up to a maximum number of votes,  
15 performs the review, and charges each of the participants whose votes are accepted for a  
portion of the cost of the review. The results of the review are preferably provided first  
to those participants whose votes are accepted and subsequently to the remaining  
participants. The right to receive the results of the review in advance of others acts as  
an incentive for a participant to offer/vote to pay, in part, for a review of a company.  
20 The consultant preferably also negotiates an additional incentive from the company in  
the form of an equity interest in the company that is shared among the participants  
whose votes are accepted.

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